

Honorable Benjamin H. Settle

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
TACOMA DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

SCOTT C. BROWN;  
MARIA CECILIA BROWN;  
LAKEFRONT INVESTMENTS, LLC;  
RIFFE LAKE INVESTMENTS, LLC;  
PIERCE COUNTY; and  
LEWIS COUNTY,

Defendants.

Case No. 3:16-cv-05172-BHS

**STIPULATION REGARDING LIEN  
PRIORITY BETWEEN THE UNITED  
STATES AND PIERCE COUNTY**

**NOTE ON MOTION CALENDAR:  
March 14, 2016**

Plaintiff the United States of America and Defendant Pierce County hereby stipulate as follows:

1. The United States filed this action to reduce to judgment certain unpaid federal tax assessments against Scott C. Brown and Maria Cecilia Brown, and to foreclose federal tax liens against certain real properties located in Pierce County and Lewis County, Washington. Complaint (Dkt. #1).

2. The two Pierce County properties at issue are Pierce County Parcel Number 0415133013 and Pierce County Parcel Number 0415133019 (referred to collectively as the

Stipulation Regarding Lien Priority Between 1  
United States and Pierce County  
Case No. 3:16-cv-05172-BHS

**U.S. Department of Justice**  
Tax Division, Western Region  
P.O. Box 683  
Washington, D.C. 20044  
Telephone: (202) 307-6547

1 “Eatonville Parcels”), which are located on or near Mountain Highway East, Eatonville,  
2 Washington 98328.

3 3. Pierce County Parcel Number 0415133013 is located at 52010 Mountain  
4 Highway East, Eatonville, Washington 98328 and is legally described as:

5 That portion of the Southwest quarter of the Northwest quarter and of the  
6 Northwest of the Southwest quarter of Section 13, Township 15 North, Range 4  
7 East, of the W.M., lying South of the South line of State Highway No. 5,  
8 described as follows:

9 Beginning at a point on the North line of the Northwest quarter of the Southwest  
10 quarter of Section 13, Township 15 North, Range 4 East of the W.M., 700 feet  
11 East of the West quarter corner of said Section; THENCE North 54 feet;  
12 THENCE South 70 degrees 50' East 120.7 feet; THENCE South 65 degrees East  
13 440 feet, more or less, to a line extended North 35 degrees 25' West from a point  
14 on the East line of said Northwest quarter of the Southwest quarter 317.2 feet  
15 South of the Northeast Corner thereof; THENCE South 35 degrees 25' East to the  
16 East line of said Northwest quarter of the Southwest quarter; THENCE South  
17 along said East line 282.80 feet to the most Easterly Northeast corner of the  
18 property conveyed to Joe Sander and Betty Sander, husband and wife by  
19 instrument recorded June 25, 1958 under Pierce County Auditor's Fee No.  
20 1821558; THENCE West along the Northerly line of said Sander property 620  
21 feet, more or less, to a property corner described in said instrument, recorded  
22 under Auditor's Fee No. 1821558; THENCE North 600 feet to the point of  
23 beginning.

EXCEPT the West 192 feet thereof, as measured along the South line.

Situate in the County of Pierce, State of Washington.

4. Pierce County Parcel Number 0415133019 is located adjacent to Parcel Number  
0415133013 and Alder Lake, and is legally described as:

That portion of the following described property lying within the Northeast  
quarter of the Southwest quarter of Section 13, Township 15 North, Range 4 East  
of the W.M., described as follows:

Beginning at a point 500 feet South of the Northwest corner of the Northeast  
quarter of the Southwest quarter of Section 13, Township 15 North, Range 4 East,  
W.M., THENCE South 59 degrees East 620 feet, more or less, to intersect a line

1 running parallel with and 127 feet West of the East line of the West half of said  
2 Northeast quarter of the Southwest quarter; THENCE South 500 feet, more or  
3 less, to the South line of said subdivision; THENCE West 533 feet, more or less,  
4 to the West line of the Northeast quarter of the Southwest quarter; THENCE  
5 North 820 feet to the point of beginning, in Pierce County, Washington. Situate  
6 in the County of Pierce, State of Washington.

7 That portion of the Northeast quarter of the Southwest quarter Section 13,  
8 Township 15 North, Range 4 East of the W.M., lying East of the West line of the  
9 East 127' of the West half of the Northeast quarter of the Southwest quarter of  
10 said subdivision, and lying South and West of the following described line:  
11 Beginning at the Intersection of the North and South centerline of Section 13, and  
12 the centerline of State Highway No. 5; THENCE Northwesterly along said  
13 centerline, 82.50 feet; THENCE South 18 degrees 37'05" West, along a line  
14 hereafter described as "line A" (using this bearing as a meridian for this  
15 description) 631.34 feet, more or less, to the Northerly line of the Chicago,  
16 Milwaukee, and St. Paul Railroad; Said point being 291.00 feet West, as  
17 measured along said Northerly line, from said North and South centerline of said  
18 Section 13; THENCE Westerly, along said Northerly line to a point which is  
19 110.00 feet Westerly of at right angles to the Southerly extension of said "line A";  
20 THENCE Southwesterly along said Northerly line 30.25 feet to the True Point of  
21 Beginning; THENCE Northwesterly 520.00 feet, more or less, to a point on the  
22 West line of the East 127.00 feet of the West half of the Northeast quarter of the  
23 Southwest quarter, of said Section 13, 500.00 feet North of the Southwest corner  
of said East 127.00 feet. Situate in the County of Pierce, State of Washington.

Easement for ingress, egress and utilities 30 feet in, width as identified by  
reservation in instrument recorded January 8, 1985 under Auditor's File No.  
8501060289. Situate in the County of Pierce, State of Washington.

5. The United States claims that federal tax liens encumber the Eatonville Parcels.  
These liens relate to Scott C. Brown's and Maria Cecilia Brown's federal income tax liabilities  
(Form 1040) for the years 2000 to 2003, as described in paragraph 26 and 27 of the Complaint.  
Notices of Federal Tax Lien have been recorded as described in paragraphs 30 to 36 of the  
Complaint.

6. Pierce County was named as a defendant in this action solely to fulfill the  
requirements of 26 U.S.C. § 7403(b), because it had a potential interest in the Eatonville Parcels.

1 Specifically, Pierce County has an interest in the Eatonville Parcels by virtue of ad valorem  
2 property tax liens. The amount of outstanding real property taxes on Pierce County Parcel  
3 Number 0415133013 is \$4,542.63 as of April 30, 2016. The amount of outstanding real property  
4 taxes on Pierce County Parcel Number 0415133019 is \$5,076.01 as of April 30, 2016.

5 7. Pursuant to 26 U.S.C. § 6323(b)(6), any ad valorem property tax liens and any  
6 special assessment liens imposed for the purpose of defraying the cost of any public  
7 improvement in favor of Pierce County have priority over, and are senior to, the United States'  
8 federal tax liens described in paragraph 5 of this Stipulation.

9 8. Pierce County claims no interest in the real property at issue located in Lewis  
10 County, described in paragraph 22 of the Complaint.

11 9. In the event that the Court permits the sale of the Eatonville Parcels, the  
12 properties will be sold free and clear of all liens of record. The Order of Sale shall provide that  
13 the sale proceeds for the Eatonville Parcels will be distributed first to the United States for the  
14 costs and expenses of the sale; second to any real property tax and/or special assessment lien  
15 holders to satisfy any existing liens that are entitled to priority over prior security interests under  
16 Washington law pursuant to 26 U.S.C. § 6323(b)(6), including any real property tax liens and  
17 special assessment liens in favor of Pierce County; then to the United States to satisfy the federal  
18 tax liens described in paragraph 5 of this Stipulation, in an amount according to proof at that  
19 time; and finally, if any proceeds remain, to the remaining Defendants according to their relative  
20 priorities and interests as determined by the Court. If the affected parties cannot stipulate to the  
21 amounts of their liens, the parties shall file written briefs on their positions, and the Court will  
22 determine the amounts.

1           10.     The United States claims no monetary relief against Pierce County in this action.  
2 Unless otherwise ordered by the Court, Pierce County is excused from further participation in  
3 this action. Pierce County agrees to be bound by the judgment in this case, which shall  
4 incorporate the terms of this Stipulation.

5           11.     The United States and Pierce County shall bear their own costs and fees  
6 associated with this issue.

7           WHEREFORE, the United States and Pierce County respectfully request that the Court  
8 adopt this stipulation by signing the endorsement at the close of this filing pursuant to LCR  
9 10(g).

10  
11 Dated this 14th day of March, 2016.

12 Presented by:

13 CAROLINE D. CIRAULO  
14 Acting Assistant Attorney General

15 /s/ Jennifer Y. Golden  
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/s/ David H. Prather  
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1 IT IS SO ORDERED.

2 Dated this 14 day of March, 2016.

3 

4  
5 BENJAMIN H. SETTLE  
6 United States District Judge